

SERFF Tracking Number:	BNLA-126637822	State:	Arkansas
Filing Company:	Bankers Life and Casualty Company	State Tracking Number:	45742
Company Tracking Number:	17291 (8/09)		
TOI:	LTC03I Individual Long Term Care	Sub-TOI:	LTC03I.003 Other
Product Name:	17291 (8/09)		
Project Name/Number:	17291 (8/09)/17291 (8/09)		

Filing at a Glance

Company: Bankers Life and Casualty Company

Product Name: 17291 (8/09)

TOI: LTC03I Individual Long Term Care

Sub-TOI: LTC03I.003 Other

Filing Type: Advertisement

SERFF Tr Num: BNLA-126637822 State: Arkansas

SERFF Status: Closed-Filed

Co Tr Num: 17291 (8/09)

Author: Lucy Sutton

Date Submitted: 05/21/2010

State Tr Num: 45742

State Status: Closed

Reviewer(s): Marie Bennett, Harris Shearer

Disposition Date: 05/26/2010

Disposition Status: Filed

Implementation Date:

Implementation Date Requested: On Approval

State Filing Description:

General Information

Project Name: 17291 (8/09)

Project Number: 17291 (8/09)

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 05/26/2010

Status of Filing in Domicile:

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 05/26/2010

Created By: Lucy Sutton

Corresponding Filing Tracking Number:

Deemer Date:

Submitted By: Lucy Sutton

Filing Description:

RE: LONG TERM CARE ADVERTISING

Lead Generating Device

Fulfillment Booklet

Form 17291 (8/09)

Dear Insurance Department Personnel:

In accordance with your state's requirements, we are filing the above referenced form.

Form 17291 (8/09), entitled "Consumer's Guide to Understanding Long-Term Care and Long-Term Care Insurance" is

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meant to promote awareness of Long Term Care Insurance in general. It is not meant to specifically promote any specific product. This piece may be provided to prospects in response to mailing or hand delivered.

Your consideration of this filing is appreciated.

Sincerely,

Lucy Sutton

Company and Contact

Filing Contact Information

Lucy Sutton, Information Coordinator l.sutton@banklife.com
600 West Chicago Ave 312-396-6122 [Phone]
Location: CH-4N366 312-396-5907 [FAX]
Chicago, IL 60654-2800

Filing Company Information

Bankers Life and Casualty Company CoCode: 61263 State of Domicile: Illinois
600 West Chicago Ave Group Code: 233 Company Type:
Chicago, IL 60654-2800 Group Name: State ID Number:
(800) 621-3724 ext. [Phone] FEIN Number: 36-0770740

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: AR charges \$50 per form.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Bankers Life and Casualty Company	\$50.00	05/21/2010	36720739

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Marie Bennett	05/26/2010	05/26/2010

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Disposition

Disposition Date: 05/26/2010

Implementation Date:

Status: Filed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Form	Consumer's Guide to Understanding Long-Term Care and Long-Term Care Insurance		Yes

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Form Schedule

Lead Form Number:

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	17291 (8/09)	Advertising	Consumer's Guide to Initial Understanding Long-Term Care and Long-Term Care Insurance			0.000	17291_(8-09).pdf



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We specialize in seniors

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Chicago, IL 60654-2800

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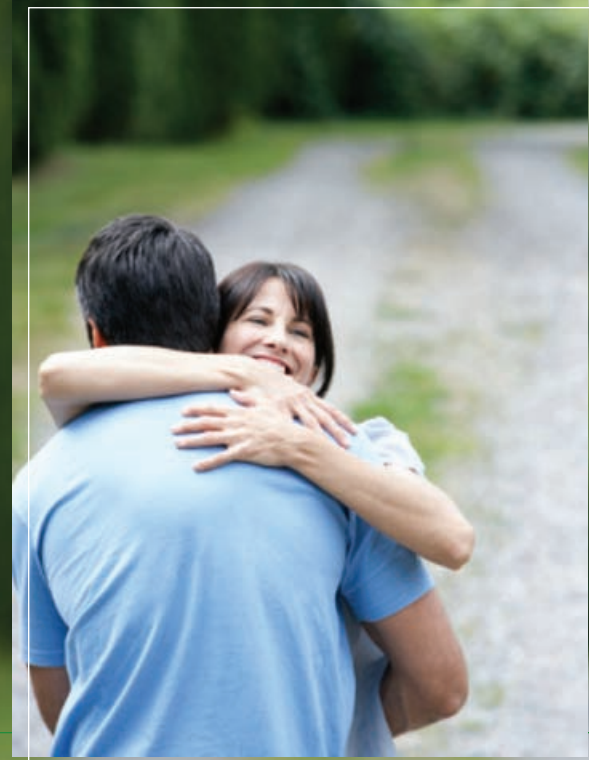
Answers to Your Questions

- What is long-term care?
- How much does long-term care cost?
- What does Medicare cover?
- What does health insurance cover?
- How can I protect my nest egg from the high cost of care?
- Can I receive care at home?

Source: National Clearinghouse
for Long-Term Care Information,
Understanding LTC, 2009
(www.longtermcare.gov).

7 in 10 people
over age 65 will need
some type of LTC services

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Consumer's Guide to Understanding Long-Term Care and Long-Term Care Insurance

- What is long-term care?
- How much does it cost?
- What should you consider when purchasing a long-term care insurance plan?
- And more...


BANKERS
LIFE AND CASUALTY COMPANY
We specialize in seniors



What is Long-Term Care?

Long-term care (LTC) is personal assistance provided to people that are unable to perform the Activities of Daily Living, or ADLs, on their own for an extended period of time.

Long-term care is also provided when a person needs supervision due to a cognitive impairment, such as Alzheimer's disease.

Long-term care is no longer limited to care received in a nursing home. Today, a wide variety of services are available, including the option to receive care in your own home.

SIX ACTIVITIES of Daily Living

- Eating
- Bathing
- Dressing
- Transferring (to or from a bed or wheelchair)
- Toileting
- Continence

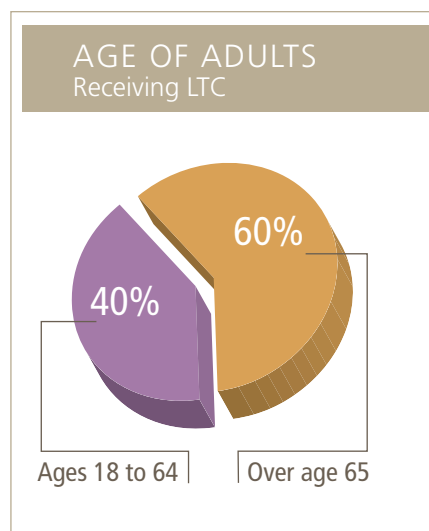
Common Types of Long-Term Care Services

Home and Community Care	Facility Care
Home Health Care	Assisted Living Facility
Custodial Care	Continuing Care Retirement Community
Adult Day Care	Nursing Home
Hospice Care	

Anyone Can Need Long-Term Care

Long-term care is not just for the elderly. The need for these services can come **at any time or at any age** as the result of an accident, injury or illness.

Source: National Clearinghouse for Long-Term Care Information, *Understanding LTC*, 2009 (www.longtermcare.gov).



What is Long-Term Care Insurance?

Long-term care insurance (LTCI) is a form of health insurance specifically designed to pay some of the costs of long-term care services. It can cover your expenses in *a variety of settings*—from your own home to a nursing facility. Many people choose long-term care insurance because it can offer:

- **Independence** to remain in your home
- **Financial security** from the high cost of care
- **Best care** to meet your health needs
- **Peace of mind** from not relying on family caregivers
- **Freedom** to choose where to receive care

True or False?

With so much information available online and in the media, it's often hard to know which long-term care facts are accurate. Can you guess which of these statements are true—and which are false?

About 70% of people over 65 will need some form of long-term care.¹

TRUE. Of the ten neighbors on your block, seven of them will need long-term care. Those are high odds!

With the way medical science is advancing, no one will need this kind of care in the future.

FALSE. Just a generation ago, certain conditions were simply unable to be diagnosed or treated. But today, more advanced diagnostic tools and treatments are available. People are living longer and surviving a variety of serious illnesses that years ago were considered terminal. As a result, more and more Americans are struggling with how to maintain their independence for as long as possible.

¹ National Clearinghouse for Long-Term Care Information, *Understanding LTC*, 2009 (www.longtermcare.gov).



Long-term care insurance is the same as nursing home insurance.

FALSE. Long-term care services are provided in a variety of settings—from the comfort of your own home to facility locations, such as adult day care, an assisted living facility or nursing home. Long-term care insurance can provide benefits to help pay for care in some or all of these settings, based on the type of coverage you choose.

My family will take care of me.

TRUE AND FALSE. Your family members may want to provide the care you need and yet be unable to do so. Perhaps they live too far away. Their own families and jobs may make full-time caregiving impossible. Or the level of care you need is simply beyond their expertise. Even if they can assume some of the caregiving role for several hours or days each week, who will give them a break and cover for them when they need personal time off for their own family, work, illness, vacation or other reason?

Once I'm 65, Medicare will cover my long-term care.

FALSE. Medicare was created to cover acute care—the care you need when you're sick and will eventually recover from your illness. Long-term care is mainly custodial care—ongoing care you need to help with your everyday activities. Medicare was **never designed** to cover custodial care. See [page 7](#) for details.

Long-term care coverage is included in my health or disability insurance.

FALSE. As with Medicare, these forms of insurance are not intended to cover long-term care services. Health insurance may cover some limited home health care. And disability insurance pays a benefit that is designed to replace a part of lost income, but it never pays directly for long-term care expenses.

You don't need this kind of insurance if you're young and healthy.

FALSE. No one knows when an accident, injury, disability or illness might result in the need for long-term care at home or in a facility. The unexpected can happen to anyone at any age—even someone in good health.

Paying for Long-Term Care

Does health insurance cover long-term care?

Long-term care is, for the most part, *excluded* from coverage under health insurance plans.

Think about it this way: Health insurance never covers everything, no matter how “comprehensive” it is. You usually have gaps in your coverage. It’s typical for vision, hearing, dental and podiatry services to fall into the category of what is not covered by conventional medical plans. Long-term care is no different: It’s *your responsibility* to pay for these “uncovered” costs out of your own pocket.

Does disability insurance cover long-term care?

Disability insurance pays a set amount of money to replace income that is lost because you are disabled from some type of medical condition. Disability insurance *never pays* directly for long-term care expenses or for any other type of health care.

What about Medicare Supplement insurance?

Medicare Supplement insurance *does not cover* long-term care, although it can be used to pay Medicare’s skilled nursing facility co-payment (see page 7).

Who Pays?

Health Insurance	No
Disability Insurance	No
Medicare Supplement Insurance	No
Medicare	In limited circumstances (see page 7)
Medicaid	In limited circumstances (see page 9)
Long-Term Care Insurance	YES

Neither Bankers Life and Casualty Company nor any of its agents are in any manner affiliated with or sponsored by the U.S. Government or the Federal Medicare Program.

What Does Medicare Cover?

LTC Medicare Checklist

Type of Long-Term Care	Covered by Medicare?	
Custodial Care	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Assisted Living Facility	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Continuing Care Retirement Communities	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Adult Day Care	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Nursing Home Care	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Medicare is designed to cover doctor visits, hospital stays, and rehabilitative care, commonly called acute care. Long-term care—including custodial care—is generally not covered by Medicare. Custodial care services are assistance with dressing, bathing, eating or other Activities of Daily Living (ADLs) on a regular basis for an extended period of time.

Skilled Nursing Facility (SNF)

It’s easy to confuse skilled nursing facility care with nursing home care. But they are not the same. There is no Medicare skilled nursing facility coverage in a rehabilitative or licensed nursing home **unless you were first in the hospital for 3 days in a row.**

Medicare’s skilled nursing facility benefit pays part of the cost of skilled care for a limited period of time when the purpose is to help a person *recover* after a specific medical problem. But even skilled nursing care is only covered in full for 20 days and partially for 21 to 100 days, with no coverage at all after 100 days. Medicare coverage is not intended for skilled care that goes beyond 100 days and typically does not cover custodial care for any period of time.



DEFINING
Skilled Nursing

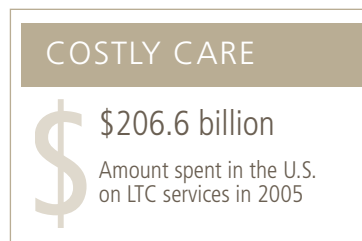
While care can be provided in a rehabilitative facility or a nursing home that meets Medicare’s requirements, if the care you receive is not considered skilled by the Medicare definition, then Medicare will not cover it.

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Examples of skilled care Medicare may cover include:

- Semi-private room and meals (but not a private room unless medically necessary)
- Skilled nursing care
- Drugs furnished by the hospital
- Medical supplies and equipment used in the facility
- Rehabilitation services (but not custodial care)



Source: National Clearinghouse for Long-Term Care Information, *Paying for LTC*, 2009 (www.longtermcare.gov).

Home Health Care

When it comes to Medicare coverage for home health care, again the key is whether the care is skilled or **not**. Medicare does not cover home health aide services (like bathing, dressing, using the bathroom) unless you are **also** receiving skilled care such as nursing care or other therapy. Home health aide services are **never** covered when that is the **only** care you need.

Notes: All Medicare benefits described here refer to the Original Medicare Plan. You can read more about skilled nursing care in Medicare's publication, *Medicare Coverage of Skilled Nursing Facility Care*. For more information on Medicare coverage of home health care, refer to Medicare's publication *Medicare and Home Health Care*. Both are published by the Centers for Medicare & Medicaid Services.

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When Does Medicaid Cover Long-Term Care?

A federal-state program, Medicaid provides healthcare to the poor. It pays for some long-term care, but **only** if your income and assets meet a minimum amount. This minimum varies by state, but generally falls between only \$2,000 to \$3,000! Therefore, in order to qualify, you must **spend down your assets**, including cash, savings, retirement funds and investments.

When you rely on Medicaid to pay your long-term care costs:

- **Choice may be limited.**

Some nursing homes will not accept patients whose care is paid for by Medicaid. Those facilities that do accept Medicaid patients generally dedicate only a limited amount of space for Medicaid patients, so you may not end up getting a place in the nursing home you prefer.

- **Locations may be limited.**

You may have little choice selecting the location of your nursing home. With limited openings for Medicaid patients, the closest facility could be 30 miles away. Availability is not guaranteed in your hometown or in communities close to your family and friends.

One of the reasons people purchase long-term care insurance is that it gives you **greater control over your healthcare**. It allows you the **flexibility** to choose care according to medical need and personal preference, not ability to pay.

NEW LAW Makes Medicaid Qualification Harder

The Deficit Reduction Act of 2005 (DRA) tightened eligibility requirements and closed program loopholes for Medicaid nursing home benefits, making it now more difficult to qualify. Responsibility for paying long-term care costs has shifted away from the federal government, and **back onto YOU!**

How Much Does Long-Term Care Cost?

Today’s reality: long-term care is expensive. The chart below outlines the national average costs for care in your home, an assisted living facility and a nursing home.

In Your Home

\$29 per hour
for home health aide²



\$42,224 per year
for 28 hours per week



\$60,320 per year
for 40 hours per week

In an Assisted Living Facility

\$3,008 per month
for a one-bedroom unit²



\$36,096 per year

In a Nursing Home (shared room)

\$187 per day
for a **shared**,
semi-private room²



\$68,255 per year

In a Nursing Home (private room)

\$209 per day
for a
private room²



\$76,285 per year

The average length of stay in a nursing home is approximately **2.5 years**.³ That means the total cost of a nursing home is more than **\$170,000** for a shared room and over **\$190,000** for a private room! And these are today’s costs. With inflation and the rising cost of healthcare, long-term care expenses can only increase.

For home health care, it’s important to note that many people receive informal care from family members long before professional aides are hired, making the complete length of at-home assistance difficult to pinpoint.

² National Clearinghouse for Long-Term Care Information, *Paying for LTC*, 2009 (www.longtermcare.gov).

³ National Center for Health Statistics, *The National Nursing Home Survey: 2004 Overview*, 6/2009 (www.cdc.gov/nchs).

How Expensive is Your Hometown?

The cost of long-term care services varies across the United States, from state to state and even within local communities. Some parts of the country are more expensive than others. And often the best facilities and healthcare agencies charge more than national averages.

Average LTC Costs in 5 U.S. Cities

	Nursing Home (average daily cost, range of semi-private to private)	Assisted Living Facility (average monthly cost)	Home Health Aide (average hourly rate)
California (San Francisco)	\$250–\$344	\$3,669	\$23
Florida (Miami)	\$199–\$220	\$2,936	\$16
Minnesota (Minneapolis/St. Paul)	\$138–\$160	\$2,871	\$28
New York (Rochester)	\$295–\$309	\$3,081	\$22
Texas (Dallas/Fort Worth)	\$129–\$188	\$2,849	\$18

Sources: MetLife Mature Market Institute, *The MetLife Market Survey of Nursing Home & Assisted Living Costs*, 10/2008 and *The MetLife Market Survey of Adult Day Services & Home Care Costs*, 9/2008.



CARING for Your Spouse

If you’re married, it’s important to think about finances in terms of both husband and wife. For example, if one spouse needs long-term care in a nursing home, you’ll want to have enough money for his or her care and enough for you to continue to live at home. What if both spouses need long-term care services? Then your long-term care expenses could double.

How Does Long-Term Care Insurance Work?

Long-term care insurance is specifically designed to help pay the cost of long-term care services by providing coverage directly for facility and home health care. How much of your actual long-term care expenses a long-term care insurance policy will cover is based on the features you select and the amount of coverage you choose.

What does it cover?

Long-term care insurance policies typically offer coverage for care provided in your own home and in a facility, such as adult day care, an assisted living facility or a nursing home.

A policy with home health care coverage may provide benefits such as:

- Visits by:
 - Home health aides
 - Licensed nurses
 - Licensed nutritional specialists
 - Licensed physical, occupational, speech and inhalation therapists
 - Medical social workers
- Transportation to and from medical appointments
- Cleaning, food shopping, meal preparation and other errands
- Home modifications that allow you to continue to remain at home

If coverage for care in your own home is not a priority, you may want to consider a policy that provides facility-based care only.



Buying Long-Term Care Insurance

Always consult with a trusted advisor or an insurance agent that specializes in long-term care before making any insurance purchase, and consider including family members in your decision-making process.

How much long-term care insurance do I purchase?

Some people view long-term care insurance as a partnering or cost-sharing relationship where they expect to pay part of the cost of their care on their own (out-of-pocket from their savings) and expect their insurance policy to pay the other part. Others view it as the way to pay most or almost all of the cost of the long-term care services they might need.

How much insurance to purchase is a *personal decision*. Working with an advisor or insurance agent can help you choose the level of insurance benefits and asset protection that's right for you.

HOW MUCH IS ENOUGH?
A simple rule of thumb

Cost of Care – Income = Insurance Protection Needed!

Ask yourself a few questions:

- Is it important for me to be able to receive care in my own home for as long as possible?
- How much insurance protection would give me the most peace of mind?
- What level of insurance coverage makes the most sense for my financial situation today? And in the future?
- How do I envision using my retirement nest egg?
- Can I afford to pay some of the cost of care on my own in exchange for less insurance at a lower cost?
- What amount of assets do I wish to protect?
- Is it important for me to leave an inheritance to my family?

LTC Planning Checklist

When planning for your future, consider the following:

- ☑ **Make a list of what is important to you.**
 - Who do you want to take care of you?
 - Where do you want the care to take place?
 - Do you have assets you want to protect?
- ☑ **Research the long-term care services offered in your community.**
 - Home health care providers
 - Adult day care centers
 - Assisted living and nursing home facilities
- ☑ **Talk to your family about your long-term care wishes.**
Obtain their input regarding your care.
- ☑ **Focus on your finances.**
 - Expenses
 - Income
 - Assets
- ☑ **Seek the advice of a trusted advisor or insurance agent that specializes in long-term care.**
- ☑ **Compare long-term care insurance options and select the plan that's right for you.**

BASED ON YOUR PARTICULAR CIRCUMSTANCES YOU SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR. YOU CANNOT RELY UPON OR USE THE INFORMATION IN THIS GUIDE FOR THE PURPOSES OF AVOIDING ANY TAX OR TAX PENALTY THAT MAY BE IMPOSED BY THE INTERNAL REVENUE SERVICE.



Additional Resources

American Association of Homes and Services for the Aging (AAHSA)
www.aahsa.org

Centers for Medicare & Medicaid Services (CMS)
www.medicare.gov

National Alliance for Caregiving (NAC)
www.caregiving.org

National Association of Insurance Commissioners (NAIC)
www.naic.org

National Clearinghouse for Long-Term Care Information
www.longtermcare.gov

National Council on Aging (NCOA)
www.ncoa.org